

## EXTENSIONS OF REMARKS

PHYLLIS MARCHAND RECEIVES  
HUMAN RELATIONS AWARD

HON. RUSH D. HOLT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 26, 2001

Mr. HOLT. Mr. Speaker, I rise today in recognition of Phyllis Marchand who will receive the Human Relations Award given by the Central New Jersey Chapter of the American Jewish Committee. She receives this award for her outstanding commitment to the Princeton community and the American Jewish Committee.

Ms. Marchand is in her fifteenth year as an elected official in Princeton and her sixth year as the Mayor of Princeton Township. She has led in state affairs as President of both the New Jersey League of Municipalities and the New Jersey Association for Elected Women Officials. Ms. Marchand has been recognized as "Elected Official of the Year" by the NJ Municipal Managers Association and has received the Humanitarian Award from the National Conference of Christians and Jews. Ms. Marchand has served as President of the Mercer County Hispanic Association and serves on its board as well as that of the Mercer Council on Alcoholism and Drug Addiction.

A graduate of Skidmore College, Ms. Marchand has been a professional book indexer working on Collier's Encyclopedia, The Papers of Woodrow Wilson and The Samuel Johnson Letters. She is a member of the Princeton Jewish Center, the American Jewish Committee and a life member of Hadassah. During her 35 years in Princeton, she has served on the boards of Hadassah, The Jewish Center, UJA and B'nai B'rith.

Ms. Marchand has made significant contributions to the Princeton community in particular and New Jersey as a whole. I urge all my colleagues to join me today in recognizing Ms. Marchand's dedication and commitment to public service.

A BILL TO REPEAL THE LIMITA-  
TION ON THE USE OF FOREIGN  
TAX CREDITS UNDER THE AL-  
TERNATIVE MINIMUM TAX

HON. AMO HOUGHTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 26, 2001

Mr. HOUGHTON. Mr. Speaker, I am pleased to join my colleague from New York, Mr. RANGEL, together with a bipartisan group of our colleagues, in introducing a bill which would eliminate a fundamental unfairness in the application of the U.S. tax law to taxpayers that have income from foreign sources.

The bill would repeal the present-law limitation on the use of foreign tax credits under the

alternative minimum tax that has the effect of subjecting taxpayers to double taxation on foreign income. This bill is identical to the one introduced in the 106th Congress, except for advancing the effective date by a year.

A U. S. citizen or domestic corporation that earns income from sources outside the United States generally is subject to tax by a foreign government on that income. The taxpayer is also subject to U.S. tax on that same income, even though it is earned outside the United States. Thus, the same income is subject to tax both in the country in which it is earned and in the United States. However, the U. S. allows taxpayers to treat the foreign taxes paid on their foreign source income as an offset against the U.S. tax with respect to that same income. The basic principle of this foreign tax credit is simple: to provide relief from double taxation.

When it comes to the alternative minimum tax (AMT), this basic principle of providing relief from double taxation falls by the wayside. The AMT was enacted to ensure that individuals and businesses that qualify for various "preferences" in the tax rules nevertheless are subject to a minimum level of taxation. However, the foreign tax credit provisions of the AMT operate to ensure double taxation. Under these AMT rules, the allowable foreign tax credit is limited to 90 percent of the taxpayer's alternative minimum tax liability. Because of this limitation, income that is subject to foreign tax is subject also to the U.S. AMT. The result is double (and even triple) taxation of income that is used to support U.S. jobs, research and experimentation and other activities.

There is no rational basis for denying relief from double taxation to that class of taxpayers that are subject to the AMT. Accordingly, the bill being introduced will eliminate the 90 percent limitation on foreign tax credits for AMT purposes. With the elimination of this limitation, relief from double taxation will be provided to taxpayers that are subject to the AMT in the same manner as it is provided to those taxpayers that are subject to the regular tax.

Concern regarding the unfairness of the AMT limitation on the use of the foreign tax credits is not new. Indeed, the House in 1995 passed a provision repealing the 90 percent limitation as part of a complete package of AMT reforms. Overall reform of the AMT, for individuals and businesses, remains a high priority. This bill to eliminate the 90 percent limitation on foreign tax credits for AMT purposes represents an important step in that direction. We urge our colleagues to join us in cosponsoring this legislation.

TRIBUTE TO JOHN BRATTON  
DAVIS

HON. JAMES E. CLYBURN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 26, 2001

Mr. CLYBURN. Mr. Speaker, I rise today to pay tribute to Judge John Bratton Davis. On Monday, April 2, it was my pleasure to participate in a very moving ceremony renaming the building housing the United States Bankruptcy Court in Columbia, South Carolina in honor of Judge Davis.

Mr. Davis was born in Hartsville, South Carolina in 1917. After graduating from the University of South Carolina and the University of South Carolina Law School, he took graduate work at Harvard Law School. He served in the South Pacific Theater of Operations, first as an executive officer and later as naval aide to the Commander of the New Hebrides Island Group. After service to his country, Mr. Davis began the practice of law with Graydon, Grimbail, Graydon, Faulkenberry, Sawyer, and Suber. He remained in the private practice of law until 1969, when he was appointed as a U.S. Bankruptcy Judge for the District of South Carolina.

In 1986, Judge Bratton Davis was appointed Chief Justice of the Bankruptcy Court, a post he held for fourteen years. He has served as Chairman of the State of South Carolina Development Board, Vice-President of the Richland County Bar Association, and President of the Navy League of South Carolina. In addition, Mr. Davis has served on the Board of Directors of the South Carolina National Bank, Security Federal Savings and Loan Association, and University of South Carolina Educational Foundation.

Committed to his community, Mr. Davis served as State Vice-Commander of the American Legion, Co-Chairman of the March of Dimes Campaign, President of the Richland County Society for the Prevention of Cruelty to Animals, and President of the Columbia Kiwanis Club. He is a member of the Board of Directors of the Columbia Chapter of the American Red Cross and the National Foundation for Infantile Paralysis. Active in his church, Mr. Davis is a Vestryman at Trinity Cathedral.

Mr. Speaker, please join me in paying tribute to Judge John Bratton Davis for his many years of unselfish service to God and country.

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